

principal amount of its Sewer Revenue Capital Improvement Warrants, Series 2002-A, dated March 6, 2002, (viii) \$540,000,000 principal amount of its Sewer Revenue Capital Improvement Warrants, Series 2002-B, dated September 1, 2002, (ix) \$839,500,000 principal amount of its Sewer Revenue Refunding Warrants, Series 2002-C, dated October 25, 2002, and (x) \$475,000,000 principal amount of its Sewer Revenue Capital Improvement Warrants, Series 2002-D, dated November 1, 2002 (all of which warrants that are outstanding being herein together called the "Outstanding Parity Securities"). As used herein, the term "Indenture" means the Original Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture and the Eighth Supplemental Indenture.

The principal installments of the Warrant shall be subject to redemption and prepayment at the option of the Issuer, prior to their respective maturities, as a whole or in part, on any date, in inverse order of the maturities of the principal installments, at and for a redemption price equal to the principal amount redeemed plus accrued interest thereon to the date fixed for redemption. Any redemption or prepayment of the Warrant shall be effected in the manner provided in the Original Indenture.

Under the Indenture, the Outstanding Parity Securities and the Warrant are equally and ratably secured by a pledge of certain revenues from the sanitary sewer system of the Issuer (herein, as it may at any time exist, called the "System") that remain after the payment of the expenses of operating and maintaining the System. Upon compliance with certain conditions specified in the Indenture, the Issuer may issue additional securities (without limitation as to principal amount) that are secured by the Indenture on a parity with the Outstanding Parity Securities and the Warrant with respect to the pledge of the aforesaid revenues from the System (the Outstanding Parity Securities, the Warrant and all such additional securities being herein together called the "Parity Securities").

The holders of the Parity Securities shall never have the right to demand payment of the Parity Securities out of any funds raised or to be raised by taxation or from any source whatsoever, except the payments and amounts described in this warrant and the Indenture. Except for the revenues from the System and the other moneys that may be held by the Trustee under the Indenture, no property of the Issuer is encumbered by any lien or security interest for the benefit of the holder of this warrant. Neither the faith and credit, nor the taxing power, of the State of Alabama or the Issuer, or any other public corporation, subdivision or agency of the State of Alabama or the Issuer, is pledged to the payment of the principal of or the interest or premium (if any) on this warrant.

Except as provided in the Indenture, the registered holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute an action to enforce the covenants therein, or to take any action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto.

With certain exceptions as provided therein, the Indenture may be modified or amended only with the consent of the holders of a majority in aggregate principal amount of all Parity Securities outstanding under the Indenture.

Reference is hereby made to the Indenture, a copy of which is on file with the Trustee, for the provisions thereof concerning the nature and extent of the rights, duties and obligations of the Issuer, the Trustee and the holders of the Parity Securities. The registered holder of this warrant, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Indenture.

The Issuer and the Trustee may deem and treat the person in whose name this warrant is registered as the absolute owner hereof for all purposes, whether or not any principal of or interest on this warrant is overdue, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

It is hereby certified and recited that the indebtedness evidenced and ordered paid by this warrant is lawfully due without condition, abatement or offset of any description; that this warrant has been registered in the manner provided by law; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the execution and delivery of the Indenture and in the issuance of this warrant do exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this warrant, together with all other indebtedness of the Issuer, was at the time the same was created and is now within every debt and other limitation prescribed by the constitution and laws of the State of Alabama.

The transfer of this warrant shall be registered upon the registration books kept at the principal corporate office of the Trustee, at the written request of the holder hereof or his attorney duly authorized in writing, upon surrender of this warrant at said office, together with a written instrument of transfer satisfactory to the Trustee duly executed by the holder hereof or his duly authorized attorney. Upon payment of any required tax or other governmental charge, this warrant may, upon the surrender hereof at the principal corporate trust office of the Trustee, be exchanged for an equal aggregate principal amount of Warrant of the same maturity in any other authorized denominations.

The Trustee shall not be required to transfer or exchange this warrant during the period of fifteen days next preceding any interest payment date with respect hereto. In the event that this warrant (or any principal portion hereof) is duly called for redemption and prepayment, the Trustee shall not be required to transfer or exchange this warrant during the period of thirty days next preceding the date fixed for such redemption and prepayment.

No covenant or agreement contained in this warrant or the Indenture shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the Issuer in his individual capacity, and neither the members of the governing body of the Issuer, nor any official executing this warrant, shall be liable personally on this warrant or be subject to any personal liability or accountability by reason of the issuance or sale of this warrant.

This warrant shall not be entitled to any right or benefit under the Indenture, or be valid or become obligatory for any purpose, until this warrant shall have been authenticated by the execution by the Trustee, in its capacity as paying agent for the Warrant, of the certificate of authentication inscribed hereon.

IN WITNESS WHEREOF, the Issuer has caused this Warrant to be executed in its name and on its behalf by the President of its County Commission, has caused its official seal to be hereunto affixed and attested by the Minute Clerk of the County Commission, each of said officers being hereunto duly authorized, and has caused this Warrant to be dated January 8, 2003.

JEFFERSON COUNTY, ALABAMA

By: _____
President of the County Commission

[SEAL]

ATTEST:

By: _____
Minute Clerk of the County Commission

Registration Certificate

This warrant is the Warrant described in the within mentioned Indenture and was registered in the name of the above-registered owner this ____ day of _____, 2003.

THE BANK OF NEW YORK

By: _____
Its Authorized Officer

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within warrant and hereby irrevocably constitute(s) and appoints _____ attorney, with full power of substitution in the premises, to transfer this warrant on the books of the within-mentioned Trustee.

DATED this ____ day of _____, _____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration, enlargement or change whatsoever.

Signature
guaranteed: _____

(Bank, Trust Company, or Firm*)

By: _____
(Authorized Officer)

Its Medallion Number:

* Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

Section 2.5 Execution and Delivery of the Series 2003-A Warrant. The Series 2003-A Warrant shall be executed on behalf of the County by the President of the County Commission and attested by the Minute Clerk of the County Commission, and the seal of the County shall be impressed on the Series 2003-A Warrant. Signatures on the Series 2003-A Warrant by persons who are officers or officials of the County at the times such signatures were written or printed shall continue to be effective although such persons cease to be such officers or officials prior to the delivery of the Series 2003-A Warrant. After execution and attestation of the Series 2003-A Warrant, the Series 2003-A Warrant shall forthwith be delivered to the Indenture Trustee and shall be authenticated and delivered by the Indenture Trustee from time to time upon receipt by the Indenture Trustee of instructions from the County.

Section 2.6 Application of Proceeds from Sale of the Series 2003-A Warrant. The entire proceeds derived by the County from the Authority Loan (evidenced by the Series 2003-A Warrant) shall be applied to effect the purchase for cancellation of the Series 1997-C Warrant.

ARTICLE III

CONCERNING THE RESERVE FUND

Section 3.1 Series 2003-A Warrant Not Secured by Reserve Fund. The Series 2003-A Warrant shall not be secured by the Reserve Fund created pursuant to Section 11.3 of the Original Indenture.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Confirmation of Indenture. All the terms, covenants and conditions of the Indenture are hereby in all things confirmed, and they shall remain in full force and effect. Further, the County does hereby confirm the lien of the Indenture on all revenues, properties and rights now constituting part of the Trust Estate, including specifically, without limiting the generality of the foregoing, all revenues derived from properties acquired as a part of the System since the execution and delivery of the Original Indenture.

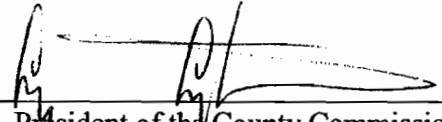
Section 4.2 Debt Service Fund Deposits Referable to the Series 2003-A Warrant. In order to provide funds for the payment of the principal of and the interest on the Series 2003-A Warrant, there shall be created the "Series 2003-A Sewer Revenue Refunding Warrant Account" within the Debt Service Fund to provide for payment of the principal of and interest on the Series 2003-A Warrant when due. There shall be transferred or paid into the Series 2003-A Sewer Revenue Refunding Warrant Account, out of moneys held in the Revenue Account, on or before February 15, 2003, and on or before each August 15 and February 15 thereafter, until the principal of and interest on the Series 2003-A Warrant shall have been paid in full, the sum of (i) the interest that will mature on the Series 2003-A Warrant on such February 15 or August 15, as the case may be, plus (ii) the principal installment that will mature on the Series 2003-A Warrant on such February 15.

The Debt Service Fund deposits required by this Section 4.2 shall be in addition to the deposits respecting the Outstanding Parity Securities required by the Original Indenture and by earlier Supplemental Indentures.

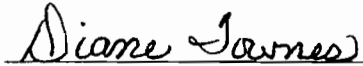
Section 4.3 Article and Section Captions. The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

IN WITNESS WHEREOF, the County has caused this Eighth Supplemental Indenture to be executed in its name and on its behalf by the President of its County Commission, has caused its official seal to be hereunto affixed and has caused this Eighth Supplemental Indenture to be attested by the Minute Clerk of its County Commission, and the Indenture Trustee has caused this Eighth Supplemental Indenture to be executed in its corporate name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Eighth Supplemental Indenture to be attested, by its duly authorized officers, all in counterparts, each of which shall be deemed an original, and the County and the Indenture Trustee have caused this Eighth Supplemental Indenture to be dated as of January 1, 2003, although actually executed and delivered on January 10, 2003.

JEFFERSON COUNTY, ALABAMA

By 
President of the County Commission

ATTEST:


Minute Clerk of the
County Commission

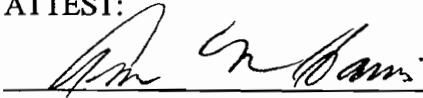
[SEAL]

THE BANK OF NEW YORK, as Successor Trustee
under the Trust Indenture of Jefferson County,
Alabama, dated as of February 1, 1997

By: The Bank of New York Trust Company
of Florida, N.A., Its Agent

By 
Its VICE PRESIDENT

ATTEST:


Its vice President

[SEAL]

NINTH SUPPLEMENTAL INDENTURE

between

JEFFERSON COUNTY, ALABAMA

and

THE BANK OF NEW YORK

Dated as of April 1, 2003

Relating to

\$1,155,765,000

JEFFERSON COUNTY, ALABAMA

**Sewer Revenue Refunding Warrants
Series 2003-B**

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to
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between
JEFFERSON COUNTY, ALABAMA
and
THE BANK OF NEW YORK

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Appendix I – Form of Series 2003-B Warrants

- Exhibit A – Notice of Change to a _____ Rate
- Exhibit B-1 – Certificate Pursuant to Section 4.1(c)(i)(2) or 4.2(c)(i)(2) of the Ninth Supplemental Indenture
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- Exhibit B-3 – Notice Regarding Establishment of New Adjustable Rate
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- Exhibit C – Notice of Failure of Conditions
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- Exhibit F – Notice of Failure of Conditions to Fixed Rate Conversion
- Exhibit G – Notice of Election to Tender
- Exhibit H – Notice of Mandatory Tender Upon Expiration, Termination, Substitution or Amendment of Liquidity Facility or Failure to Maintain Rating

NINTH SUPPLEMENTAL INDENTURE between **JEFFERSON COUNTY, ALABAMA**, a political subdivision of the State of Alabama (herein called the "County"), and **THE BANK OF NEW YORK**, a New York banking corporation, in its capacity as successor to AmSouth Bank of Alabama as Trustee under that certain Trust Indenture of the County dated as of February 1, 1997 (said banking corporation in such capacity, as well as any successor trustee under said Trust Indenture, being herein called the "Trustee"),

RECITALS

Under and pursuant to the provisions of the aforesaid Trust Indenture (herein called the "Original Indenture"), the County has heretofore issued \$211,040,000 principal amount of Sewer Revenue Refunding Warrants, Series 1997-A, dated February 1, 1997 (herein called the "Series 1997-A Warrants"), \$48,020,000 principal amount of Taxable Sewer Revenue Refunding Warrants, Series 1997-B, dated February 1, 1997 (herein called the "Series 1997-B Warrants"), and \$52,880,000 principal amount of Taxable Sewer Revenue Refunding Warrants, Series 1997-C, dated February 15, 1997 (herein called the "Series 1997-C Warrants"). The Series 1997-A Warrants, the Series 1997-B Warrants and the Series 1997-C Warrants were issued to refund certain indebtedness of the County that had been incurred to pay the costs of certain capital improvements to the County's sanitary sewer system (herein called the "System"). The Series 1997-B Warrants and Series 1997-C Warrants are no longer outstanding.

Under the provisions of Article X of the Original Indenture, the County reserved the right to issue, upon compliance with the conditions precedent set forth in said Article X, additional warrants, bonds, notes or other forms of indebtedness (herein called "Additional Parity Securities"), to be secured on a parity with securities previously issued under the Indenture, for the purposes of refunding any outstanding obligations of the County issued to finance capital improvements to the System and of financing the costs of acquiring and constructing capital improvements to the System. The County has heretofore issued as Additional Parity Securities its (a) its \$296,395,000 aggregate principal amount of Sewer Revenue Warrants, Series 1997-D, dated March 1, 1997 (herein called the "Series 1997-D Warrants"), which are now outstanding in the principal amount of \$115,740,000, (b) its \$952,695,000 aggregate principal amount of Sewer Revenue Warrants, Series 1999-A, dated March 1, 1999 (herein called the "Series 1999-A Warrants"), which are now outstanding in the principal amount of \$506,910,000, (c) its \$275,000,000 aggregate principal amount of Sewer Revenue Warrants, Series 2001-A, dated March 1, 2001 (herein called the "Series 2001-A Warrants"), which are now outstanding in the principal amount of \$176,840,000, (d) its \$110,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2002-A, dated March 6, 2002 (herein called the "Series 2002-A Warrants"), (e) its \$540,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2002-B, dated September 1, 2002 (herein called the "Series 2002-B Warrants"), (f) its \$839,500,000 aggregate principal amount of Sewer Revenue Refunding Warrants, Series 2002-C, dated October 25, 2002 (herein called the "Series 2002-C Warrants"), (g) its \$475,000,000 aggregate principal amount of Sewer Revenue Capital

Improvement Warrants, Series 2002-D, dated November 1, 2002 (herein called the "Series 2002-D Warrants), and (h) its \$39,325,000 principal amount Sewer Revenue Refunding Warrant, Series 2003-A (herein called the "Series 2003-A Warrant"). The Series 1997-D Warrants, the Series 1999-A Warrants, the Series 2001-A Warrants, the Series 2002-A Warrants, the Series 2002-B Warrants, the Series 2002-C Warrants, the Series 2002-D Warrants and the Series 2003-A Warrant were issued under the Original Indenture, as supplemented and amended by the First Supplemental Indenture dated as of March 1, 1997 (herein called the "First Supplemental Indenture"), the Second Supplemental Indenture dated as of March 1, 1999 (herein called the "Second Supplemental Indenture"), the Third Supplemental Indenture dated as of March 1, 2001 (herein called the "Third Supplemental Indenture"), the Fourth Supplemental Indenture dated as of February 1, 2002 (herein called the "Fourth Supplemental Indenture"), the Fifth Supplemental Indenture dated as of September 1, 2002 (herein called the "Fifth Supplemental Indenture"), the Sixth Supplemental Indenture dated as of October 1, 2002 (herein called the "Sixth Supplemental Indenture"), the Seventh Supplemental Indenture dated as of November 1, 2002 (herein called the "Seventh Supplemental Indenture"), and the Eighth Supplemental Indenture dated as of January 1, 2003 (herein called the "Eighth Supplemental Indenture"), between the County and the Trustee.

The County proposes to sell and issue the Series 2003-B Warrants hereinafter referred to in order to refund certain of its previously issued sewer revenue warrants and to refund a portion of the interest on certain other sewer revenue warrants. The County has, by proper official action and pursuant to the provisions of the Original Indenture (as heretofore supplemented), duly authorized said Series 2003-B Warrants, which are to be secured by the Original Indenture, as supplemented hereby and by the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplemental Indentures, on a parity with the outstanding Series 1997-A Warrants, Series 1997-D Warrants, Series 1999-A Warrants, Series 2001-A Warrants, Series 2002-A Warrants, Series 2002-B Warrants, Series 2002-C Warrants, Series 2002-D Warrants and Series 2003-A Warrant (herein together called the "Outstanding Parity Securities"). This Ninth Supplemental Indenture has been executed and delivered in order to specify the details with respect to said Series 2003-B Warrants and to provide for certain other matters set forth herein.

NOW, THEREFORE, THIS

NINTH SUPPLEMENTAL INDENTURE

W I T N E S S E T H:

It is hereby agreed among the County, the Trustee and the holders at any time of said Series 2003-B Warrants (the holders of said Series 2003-B Warrants evidencing their consent hereto by the acceptance of said Series 2003-B Warrants), each with each of the others, as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND USE OF PHRASES

Section 1.1 **New Definitions.** Unless the context clearly indicates a different meaning, the following words and phrases, as used in this Ninth Supplemental Indenture, shall have the following respective meanings:

"Adjustable Rate" means a Commercial Paper Rate, an Auction Rate, a Daily Rate, a Weekly Rate or a Term Rate.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"After-Tax Equivalent Rate" means, on any date of determination with respect to Auction Rate Warrants during an Auction Rate Period, the interest rate per annum equal to the product of (x) the Commercial Paper/Treasury Rate on such date and (y) 1.00 minus the Statutory Corporate Tax Rate on such date.

"Agent Member" means a member of, or participant in, the Securities Depository.

"All Hold Rate" means, on any date of determination with respect to Auction Rate Warrants, the rate per annum equal to 65% (as such percentage may be adjusted pursuant to Section 3.10) of the lesser of (i) the Index on such date and (ii) the After-Tax Equivalent Rate on such date; provided, however, that in no event shall such All Hold Rate exceed the maximum rate, if any, permitted by applicable law.

"Alternate Credit Facility" means any Credit Facility obtained pursuant to the provisions of Section 6.3 in substitution for or in addition to an existing Credit Facility or Facilities. An Alternate Credit Facility shall be an insurance policy or instrument that provides for the payment when due of principal and interest on the Series 2003-B Warrants to substantially the same extent as the initial Policy.

"Alternate Liquidity Facility" means any Liquidity Facility obtained pursuant to the provisions of Section 6.2 in replacement of an existing Liquidity Facility.

"Applicable Percentage" means, on any date of determination, the percentage determined as set forth below (as such percentage may be adjusted for Auction Rate Warrants pursuant to

Section 3.10) based on the prevailing long-term rating of the Auction Rate Warrants in effect at the close of business on the Business Day immediately preceding such date of determination:

<u>Prevailing Rating</u>	<u>Applicable Percentage</u>
AAA/Aaa	125%
AA/Aa	150%
A/A	200%
BBB/Baa	250%
Below BBB/Baa	275%

For purposes of this definition, the "prevailing long-term rating" of the Auction Rate Warrants will be (a) AAA/Aaa if the Auction Rate Warrants have a rating of AAA by S&P and a rating of Aaa by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, (b) if not AAA/Aaa, then AA/Aa if the Auction Rate Warrants have a rating of AA- or better by S&P and a rating of Aa3 or better by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, (c) if not AAA/Aaa or AA/Aa, then A/A if the Auction Rate Warrants have a rating of A- or better by S&P and a rating of A3 or better by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, (d) if not AAA/Aaa, AA/Aa or A/A, then BBB/Baa if the Auction Rate Warrants have a rating of BBB- or better by S&P and a rating of Baa3 or better by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, and (e) if not AAA/Aaa, AA/Aa, A/A or BBB/Baa, then below BBB/Baa, whether or not the Auction Rate Warrants are rated by any securities rating agency.

If (x) the Auction Rate Warrants are rated by a rating agency or agencies other than Moody's or S&P and (y) the County has delivered to the Trustee and the Auction Agent an instrument designating one or two of such rating agencies to replace Moody's or S&P, or both, then for purposes of the definition of "prevailing rating" Moody's or S&P, or both, will be deemed to have been replaced in accordance with such instrument; provided, however, that such instrument must be accompanied by the consent of the Remarketing Agent. For purposes of this definition, S&P's rating categories of AAA, AA-, A- and BBB-, and Moody's rating categories of Aaa, Aa3, A3 and Baa3, refer to and include the respective rating categories correlative thereto in the event that either or both of such rating agencies have changed or modified their generic rating categories. If the prevailing ratings for the Series 2003-B Warrants are split between the categories set forth above, the lower rating will determine the prevailing rating.

"Auction" means each periodic implementation of the Auction Procedures for Auction Rate Warrants.

"Auction Agency Agreement" means the Auction Agency Agreement dated May 1, 2003, entered into between the County and the Auction Agent with respect to the Auction Rate Warrants, as from time to time amended and supplemented.

"Auction Agent" means any entity appointed as such pursuant to Section 40.7 and its successors and assigns.

"Auction Date" means, with respect to each Auction Period, the last Thursday of the immediately preceding Auction Period (or such other day that the Remarketing Agent shall establish as the Auction Date therefor pursuant to Section 3.5); provided that, if such day is not a Business Day, the Auction Date shall be the next succeeding Business Day.

"Auction Period" means a Standard Auction Period applicable to the Series 2003-B Warrants, provided that each Auction Period shall begin on an Interest Payment Date and end on, but exclude, the next succeeding Interest Payment Date.

"Auction Procedures" means with respect to Auction Rate Warrants the procedures set forth in Sections 3.6 through 3.9.

"Auction Rate" means, with respect to Auction Rate Warrants and each Auction Period for such Auction Rate Warrants, the rate of interest per annum determined for the Warrants pursuant to Article III, which shall not in any case exceed the Maximum Auction Rate.

"Auction Rate Period" means any period during which Series 2003-B Warrants bear interest at an Auction Rate determined pursuant to the implementation of Auction Procedures established under Article III, which period shall commence on the effective date of a Change in the Interest Rate Mode to an Auction Rate and shall extend through the day immediately preceding the earlier of (a) the effective date of a Change in the Interest Rate Mode, (b) the Fixed Rate Conversion Date or (c) the Stated Maturity.

"Auction Rate Period Record Date" means, with respect to each Interest Payment Date during an Auction Rate Period, the Business Day next preceding such Interest Payment Date.

"Auction Rate Warrants" means, with respect to an Auction Rate Period, any Series 2003-B Warrants or subseries of Series 2003-B Warrants which bear the Auction Rate determined pursuant to Article III.

"Authorized Denominations" means (i) for Series 2003-B Warrants bearing interest at the Weekly Rate, the Daily Rate or the Commercial Paper Rate, \$100,000 or any larger amount that is a multiple of \$5,000, (ii) for Series 2003-B Warrants bearing interest at the Auction Rate, \$25,000 or any integral multiple thereof, and (iii) for Series 2003-B Warrants bearing interest at a Term Rate or a Fixed Rate, \$5,000 or any multiple thereof.

"Available Auction Rate Warrants" means, with respect to Auction Rate Warrants, Available Auction Rate Warrants as defined in Section 3.8.

"Bank Warrant" or "Bank Warrants" means any Series 2003-B Warrant or Warrants purchased by a Liquidity Provider (or any permitted assignee) pursuant to any Liquidity Facility (other than a surety bond or another instrument issued by a municipal bond or financial guarantee insurance company) for so long as it remains a Bank Warrant pursuant to such facility.

"Bank Warrant Interest Rate" or "Bank Rate", at any date of determination, has the meaning ascribed thereto in any Liquidity Facility (other than a surety bond or another instrument issued by a municipal bond or financial guarantee insurance company), provided that the Bank Warrant Interest Rate shall in no event exceed 18% per annum.

"Beneficial Owner" means, with respect to Auction Rate Warrants, a customer of a Broker-Dealer who is listed on the records of that Broker Dealer as a holder of the Auction Rate Warrants.

"Bid" means, with respect to Auction Rate Warrants, Bid as defined in Section 3.6.

"Bidder" means, with respect to Auction Rate Warrants, Bidder as defined in Section 3.6.

"Bond Insurer" means Financial Guaranty, XL Capital or FSA, as in the context may be appropriate.

"Broker-Dealer" means any broker-dealer (as defined in the Securities Exchange Act of 1934, as amended), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer set forth in the Auction Procedures (i) that is an Agent Member (or an affiliate of an Agent Member), (ii) that has been selected by the Auction Agent with the consent of the Remarketing Agent, and (iii) that has entered into a Broker-Dealer Agreement with the Auction Agent that remains effective.

"Broker-Dealer Agreement" means each agreement applicable to Auction Rate Warrants between a Broker-Dealer and the Auction Agent pursuant to which such Broker-Dealer, among other things, agrees to participate in Auctions as set forth in the Auction Procedures, as from time to time amended and supplemented.

"Calculation Period" means (a) during any Commercial Paper Rate Period, the period from and including the effective date of the Change in the Interest Rate Mode to a Commercial Paper Rate Period to but not including any day not more than 270 days thereafter which is a day immediately preceding a Business Day established by the Remarketing Agent pursuant to Section 3.2; (b) during any Daily Rate Period, the period from and including a Business Day to but not including the next succeeding Business Day; (c) during any Weekly Rate Period, initially the period from and including the effective date of the Change in the Interest Rate Mode to a Weekly Period to and including the following Wednesday (but not less than two days) and, thereafter, the period from and including the

Thursday of each week to and including the following Wednesday, provided, however, that, if such Thursday is not a Business Day, the next succeeding Calculation Period shall begin on the Business Day next succeeding such Thursday and shall end on the day before the next succeeding Calculation Period; and (d) during any Term Rate Period, any period of not less than 270 days from and including a Business Day to and including any day (established by the County pursuant to Section 4.1(a)) not later than the day prior to the Stated Maturity of the Series 2003-B Warrants.

"Change in the Interest Rate Mode" means any change in the method of determining the interest rate borne by Series 2003-B Warrants pursuant to Section 4.1 or 4.2.

"Change of Preference Law" means any amendment to the Code or other statute enacted by the Congress of the United States or any temporary, proposed or final regulation promulgated by the United States Treasury, after the date hereof which (a) changes or would change any deduction, credit or other allowance allowable in computing liability for any federal tax with respect to, or (b) imposes, or would impose, reduces or would reduce, or increases or would increase any federal tax (including, but not limited to, preference or excise taxes) upon, any interest earned by any Holder of warrants of the same character as the Series 2003-B Warrants the interest on which is excluded from federal gross income under Section 103 of the Code.

"Closing Date" means the date on which the Series 2003-B Warrants are paid for by and delivered to the Underwriters.

"Commercial Paper Dealers" means J.P. Morgan Securities, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, or their respective affiliates or successors, provided that any such entity is a commercial paper dealer and, if not, as replaced by a Substitute Commercial Paper Dealer.

"Commercial Paper Period Record Date" means, with respect to each Interest Payment Date for a Commercial Paper Rate Period, the Business Day next preceding such Interest Payment Date.

"Commercial Paper Rate" means, with respect to each Calculation Period during a Commercial Paper Rate Period, a rate of interest equal to the rate of interest per annum, established and certified to the Trustee (with a copy to the County and the Tender Agent) by the Remarketing Agent no later than 9:30 a.m. (New York City time) on and as of the first day of such Calculation Period as the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary on and as of such day to remarket the Series 2003-B Warrants in a secondary market transaction at a price equal to the principal amount thereof; provided that such rate of interest shall not exceed 10% per annum.

"Commercial Paper Rate Period" means any period of not more than 270 days during which Series 2003-B Warrants bear interest at one or more Commercial Paper Rates, which period shall commence on the effective date of a Change in the Interest Rate Mode to a Commercial Paper Rate mode and extend through the day immediately preceding the earliest of (a) the effective date of

another Change in the Interest Rate Mode, (b) the Fixed Rate Conversion Date or (c) the Stated Maturity of Series 2003-B Warrants.

"Commercial Paper/Treasury Rate" means, on any date of determination with respect to Auction Rate Warrants, (i) in the case of any Auction Period of less than 49 days, the interest equivalent of the 30-day rate, (ii) in the case of any Auction Period of 49 days or more but less than 70 days, the interest equivalent of the 60-day rate, (iii) in the case of any Auction Period of 70 days or more but less than 85 days, the arithmetic average of the interest equivalent of the 60-day and 90-day rates, (iv) in the case of any Auction Period of 85 days or more but less than 99 days, the interest equivalent of the 90-day rate; (v) in the case of any Auction Period of 99 days or more but less than 120 days, the arithmetic average of the interest equivalent of the 90-day and 120-day rates, (vi) in the case of any Auction Period of 120 days or more but less than 141 days, the interest equivalent of the 120-day rate, (vii) in the case of any Auction Period of 141 days or more but less than 162 days, the arithmetic average of the interest equivalent of the 120-day and 180-day rates, (viii) in the case of any Auction Period of 162 days or more but less than 183 days, the interest equivalent of the 180-day rate, and (ix) in the case of any Auction Period of 183 days or more, the Treasury Rate for such Auction Period. The foregoing rates shall in all cases, except with respect to the Treasury Rate, be rates on commercial paper placed on behalf of issuers whose corporate bonds are rated "AA" by S&P, or the equivalent of such rating by S&P, as made available on a discount basis or otherwise by the Federal Reserve Bank of New York for the Business Day immediately preceding such date of determination, or in the event that the Federal Reserve Bank of New York does not make available any such rate, then the arithmetic average of such rates, as quoted on a discount basis or otherwise, by the Commercial Paper Dealers, to the Auction Agent for the close of business on the Business Day immediately preceding such date of determination.

If any Commercial Paper Dealer does not quote a commercial paper rate required to determine the Commercial Paper/Treasury Rate, the Commercial Paper/Treasury Rate shall be determined on the basis of a commercial paper quotation or quotations furnished by the remaining Commercial Paper Dealer or Dealers and any Substitute Commercial Paper Dealer or Dealers selected by the County to provide such quotation or quotations not being supplied by any Commercial Paper Dealer or Dealers, as the case may be, or if the County does not select any such Substitute Commercial Paper Dealer or Dealers, by the remaining Commercial Paper Dealer or Dealers. For purposes of this definition, the "interest equivalent" of a rate stated on a discount basis (a "discount rate") for commercial paper of a given day's maturity shall be equal to the product of (A) 100 times (B) the quotient (rounded upwards to the next higher one-thousandth (.001) of 1%) of (x) the discount rate (expressed in decimals) divided by (y) the difference between (1) 1.00 and (2) a fraction the numerator of which shall be the product of the discount rate (expressed in decimals) times the number of days in which such commercial paper matures and the denominator of which shall be 360.

"Commission" means the Securities and Exchange Commission.

"Computation Date" means each date which is one Business Day prior to any Determination Date.